STREAMLINED SALES TAX PROJECT (SSTP) OVERVIEW

The Streamlined Sales Tax Project is an effort created by state governments, with input from local governments and the private sector, to simplify and modernize sales and use tax collection and administration.

The heart of the project rests on the SSTP Agreement adopted on November 12, 2002, amended November 19, 2003, November 16, 2004 and April 16, 2005. It is the purpose of the SSTP Agreement to simplify and modernize sales and use tax administration in the member states in order to substantially reduce the burden of tax compliance. The Agreement focuses on improving sales and use tax administration systems for all sellers and for all types of commerce through all of the following: (1) State level administration of sales and use tax collections (2) Uniformity in the state and local tax bases (3) Uniformity of major tax base definitions (4) Central, electronic registration system for all member states (4) Simplification of state and local tax rates (5) Uniform sourcing rules for all taxable transactions (6) Simplified administration of exemptions (7) Simplified tax returns (8) Simplification of tax remittances (9) Protection of consumer privacy.

The Agreement will be effective October 1, 2005 and the governing board will convene and take control of the project. Thirteen (13) states are Member states (Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, North Carolina, Oklahoma, South Dakota, West Virginia, New Jersey and North Dakota). Arkansas, Tennessee, Utah, Ohio, Wyoming and Nevada are Associate Member states. Associate Member states' laws are not in substantial compliance with the Agreement requirements by October 1, 2005. For more information on the project, the national SSTP web site is http://www.streamlinedsalestax.org/.